Active Biotech

Q1 Q2 Q3 Q4

# INTERIM REPORT Q2 2021 | ACTIVE BIOTECH AB

**Good progress in the projects towards important clinical events**

## SECOND QUARTER IN BRIEF

- Active Biotech and NeoTX announce FDA clearance of IND for phase II clinical trial of naptumomab

## EVENTS AFTER THE END OF THE PERIOD

- Active Biotech provided status update on the progress in its clinical naptumomab project
- Active Biotech's partner NeoTX hosted KOL webinar on overcoming checkpoint inhibitor resistance, featuring combination with naptumomab as one approach

## FINANCIAL SUMMARY

| | Apr-Jun | | Jan-Jun | | Full-year |
|---|---|---|---|---|---|
| SEK M | 2021 | 2020 | 2021 | 2020 | 2020 |
| Net sales | – | – | – | 0.5 | 6.7 |
| Operating profit/loss | -12.6 | -10.1 | -22.4 | -19.9 | -32.3 |
| Profit/loss after tax | -12.6 | -9.8 | -22.4 | -19.9 | -32.2 |
| Earnings per share (SEK) | -0.06 | -0.06 | -0.11 | -0.12 | -0.19 |
| Cash and cash equivalents (at close of period) | | | 78.5 | 38.2 | 26.2 |

The report is also available at www.activebiotech.com

Active Biotech is obligated to make public the information contained in this report pursuant to the EU Market Abuse Regulation and the Swedish Securities Market Act. This information was provided to the media, through the agency of the contact person set out above, for publication on August 5, 2021, at 08.30 a.m. CET.

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**Helén Tuvesson**
*CEO*

*We are now one step closer to the first results in the tasquinimod study in multiple myeloma*

# COMMENTS FROM THE CEO

**The projects progressed well during the quarter. Activities were focused on preparations for the next step in our clinical program with tasquinimod, where we expect to review the first safety results in the ongoing study in multiple myeloma during the fall, as well as preparations for the start of clinical development of laquinimod.**

In the *naptumomab* project, which we develop together with our partner NeoTX, the phase Ib/II study in combination with checkpoint inhibition in patients with advanced solid tumors is ongoing. The study is enrolling to the extended dose escalation part, including pre-treatment with the B-cell therapy Obinutuzumab. The results so far indicate that the pre-treatment successfully lower the levels of anti-drug antibodies (ADA) to naptumomab, which is a promising sign in this initial study. We will update when further results from the phase Ib study are available. For more information about the study, see clinicaltrials.gov: NCT03983954. Preparations are ongoing for start of cohort expansions and phase II studies including the previously communicated phase II study in combination with docetaxel in patients with non-small cell lung cancer (NCT04880863T).

On July 14 NeoTX hosted a KOL event with the focus on overcoming checkpoint inhibitor resistance. Despite the broad activity of these treatments demonstrated across various cancers demonstrated, there is a significant proportion of patients with insufficient treatment response. Preclinical data show monotherapy effect of naptumomab and synergy with checkpoint inhibitors, chemotherapy as well as CAR-T-cell treatment, which indicates the potential of naptumomab in combinations to overcome treatment resistance to a broad range of marketed cancer therapies. Please visit www.neotx.com to view the recorded KOL webinar.

In the phase Ib/IIa study with *tasquinimod* in multiple myeloma, recruitment to the monotherapy part is ongoing, and we expect to report the first results from the dose escalation with single agent tasquinimod later during the fall. We work continuously to optimize our patent portfolio to secure the best possible protection for the project in the most important markets. In addition to granted medical use patents for tasquinimod in multiple myeloma, we have strengthened our patent portfolio with a patent application for the use of tasquinimod in combination therapy, which may provide an extension of the patent protection until 2041.

We have initiated a collaboration with an academic group in Vrije Universiteit Brussel, Belgium, to further study tasquinimod in the preclinical setting of multiple myeloma. The results established validate the effect of tasquinimod in animal models of the disease reported from the Wistar Institute at the University of Pennsylvania and provide a deeper understanding of mechanisms involved. We will report on these results as the collaboration progresses.

During the spring, we initiated a complementary pre-clinical program of safety studies with *laquinimod* to bridge between the existing documentation for oral treatment and treatment with the newly developed eye drop formulation. For these pre-clinical studies, as well as for the upcoming clinical phase I study to evaluate the safety of the formulation in healthy subjects, we work with CROs,

specialized in development of ophthalmological treatments. We expect to be able to start the phase I study during the second half of this year.

On 4 August we decided to pursue a merged phase II study in patients with uveitis, testing oral and topical treatment of laquinimod in the same study, instead of in two separate trials. This approach will increase trial efficiency as well as enable a direct comparison of the two potential treatment options. The merged phase II study will commence once the clinical phase I trial with the eye drop formulation has been completed. Uveitis is a rare disease with relatively few patients, hence there are clear co-ordination gains from studying the two forms of administration in the same trial. We currently expect to be able to start the combined oral and topical trial early 2023.

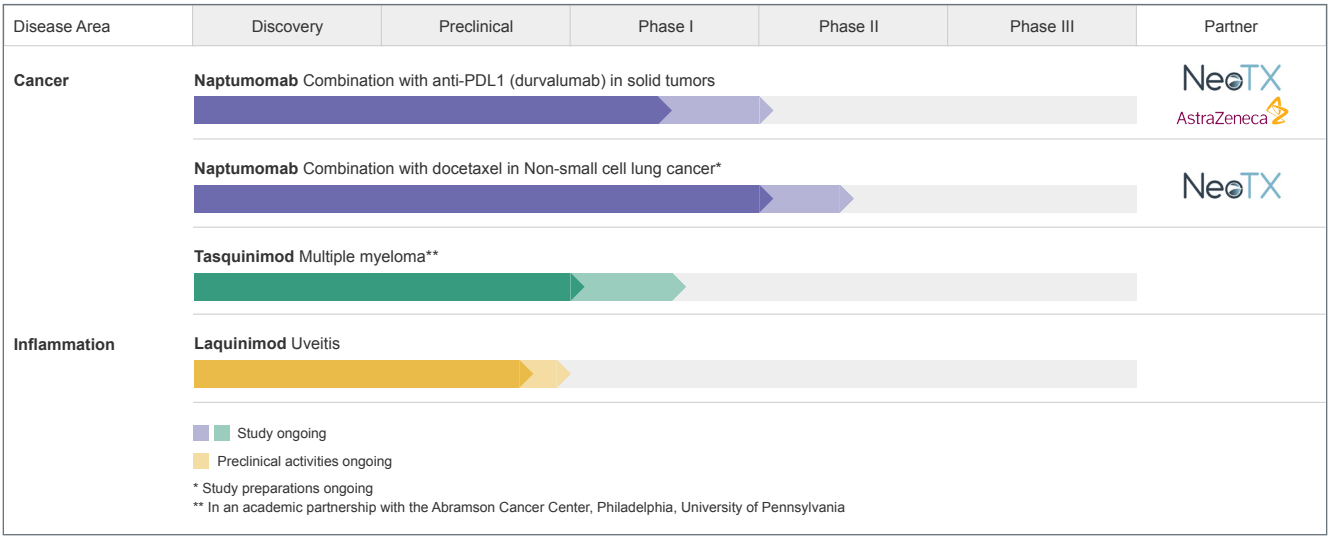
Recently, we received a notice of allowance for our patent application US 15/816,402 covering treatment of ocular inflammatory diseases, including uveitis, using laquinimod. We have also broadened our patent protection for the use of laquinimod in eye disorders associated with excessive neovascularization with an international patent application (WO 2021/123142). This application provides a potential to protect laquinimod in this field of use until 2040.

The business is advancing across our development projects and with the first half of the year behind us, we are now one step closer to the first results in the tasquinimod study in multiple myeloma and start of clinical development with laquinimod. We continue to carefully monitor the impact of the Covid-19 pandemic and take every precaution to ensure that staff, collaborators, and study participants are safe and stay well, while progressing our clinical studies with high data quality. I look forward with confidence to an exciting next six months and to relay news to you around the progress of our clinical programs.

Helén Tuvesson, CEO

# PROJECTS

**Active Biotech's project portfolio includes projects for the development of drugs for the treatment of cancer and inflammatory diseases.**




## Naptumomab estafenatox

**Naptumomab estafenatox (naptumomab) is a tumor targeting immunotherapy that enhances the ability of the immune system to recognize and kill the tumor. Since October 2016, Active Biotech has a licensing agreement with NeoTX Therapeutics Ltd (NeoTX) for the worldwide development and commercialization of naptumomab for cancer therapy.**

Naptumomab increases the immune system's ability to recognize and attack the tumor, and preclinical data from various experimental models show synergistic anti-tumor effects and prolonged overall survival when naptumomab is combined with checkpoint inhibitors. Checkpoint inhibitors are a new group of cancer drugs, which function by unleashing the immune system to attack the tumor. Despite the successes of recent years with these immunotherapies, it remains a challenge for the immune system to recognize tumor cells, and there is a need to optimize the therapeutic effect of checkpoint inhibitors. Previous clinical trials have found naptumomab to be well-tolerated and demonstrated preliminary signals of efficacy.

**Ongoing clinical development of naptumomab**

An open-label, multicenter, dose-finding clinical phase Ib/II study with naptumomab in combination with durvalumab, a checkpoint inhibitor, is ongoing. The clinical trial enrolls patients with previously treated advanced or metastatic, 5T4-positive solid tumors and aims to establish the maximum tolerated dose in the phase Ib study before advancing to phase II cohort expansion studies. The trial was initiated in H2-2019 and is performed under an agreement with AstraZeneca. More information about the study design is available at clinicaltrials.gov (NCT03983954). The Study is enrolling to define the maximum tolerated dose (MTD) and the recommended phase II dose of the combination following pretreatment with the B-cell therapy, obinutuzimab. Preparations are ongoing for cohort expansions and phase II studies including a phase II study in the combination with docetaxel in non-small cell lung cancer (NCT04880863T).

### EVENTS DURING THE SECOND QUARTER

- Active Biotech and NeoTX announce FDA clearance of IND for phase II clinical trial of naptumomab

## EVENTS AFTER THE SECOND QUARTER

- Active Biotech provided status update on the progress in its clinical naptumomab project
- Active Biotech's partner NeoTX hosted KOL webinar on overcoming checkpoint inhibitor resistance- Naptumomab, a tumor targeting super antigen, designed to produce an efficient antibacterial immune response despite inefficient tumor immunity, show synergy with checkpoint inhibitors, chemotherapy as well as CAR-T-cell treatment in preclinical tumor models. This indicates a potential role of naptumomab to overcome treatment resistance to a broad range of cancer therapies. Initial results indicate that pretreatment with the B-cell therapy obinutuzumab lowers the levels of anti-drug antibodies (ADAs) to naptumomab. To view the recorded webinar please visit www.neotx.com

# Tasquinimod

**Tasquinimod is a once-daily, oral immunomodulatory compound that affects the tumor's ability to grow and spread.**

Tasquinimod has been studied in both healthy subjects and cancer patients. Clinical effects and an overall good tolerability have been demonstrated in 1,500 patients, representing more than 650 patient-years of exposure to tasquinimod.

Today the development program for tasquinimod is directed towards hematological malignancies with a specific focus on treatment of multiple myeloma, a rare form of blood cancer with a high medical need. Tasquinimod's mode of action is novel and different to that of the four main classes of standard therapy used today in multiple myeloma. There is an urgent need of efficacious and safe combination regimens including drugs with novel mode of actions to mitigate drug resistance.

Preclinical data from experimental models of multiple myeloma demonstrating effect of tasquinimod as a monotherapy and in combination with standard multiple myeloma treatment. Data have been derived in collaboration with Wistar institute in Philadelphia, US and at Vrije Universiteit Brussel, Belgium. Patents in key markets have been granted, and applications have been submitted, providing potential protection for the use of tasquinimod in multiple myeloma, until 2041. Furthermore, the US Food and Drug Administration (FDA) has granted orphan drug designation (ODD) for tasquinimod for the treatment of multiple myeloma, which provides for seven years of market exclusivity in the event of future registration.

**Ongoing clinical development of tasquinimod**

Based on the preclinical data and the previous clinical experience with tasquinimod, a clinical study was initiated, and the first patient was dosed in August 2020, clinicaltrials.gov (NCT04405167) .
The study recruits relapsed refractory patients after at least one prior anti-myeloma therapy and is conducted in two parts: the first part (A) assessing monotherapy effect of tasquinimod, and the second part (B) a combination of tasquinimod and an oral standard anti-myeloma regimen (IRd; ixazomib, lenalidomide, dexamethasone). Primary endpoint in both parts is safety and tolerability, and key secondary endpoint is preliminary efficacy by overall response rate. The study is carried out in an academic partnership with Abramson Cancer Center in Philadelphia, PA, US, with Dr. Dan Vogl as principal investigator.

The phase Ib/IIa study is ongoing according to plan, and Active Biotech currently expects the first safety readout in H2-2021. Following established safety, a maximum tolerated dose (MTD) expansion cohort will be started as well as the dose escalation of Part B, combination part of the study. The final readout of mono therapy tasquinimod is expected in H2-2022. Important corelative analysis of study bio-samples will be performed at the Wistar Institute in Philadelphia. These analyses aim at supporting further understanding of tasquinimod biological effects in the disease.

# Laquinimod

**Laquinimod in non-infectious non-anterior uveitis**

Laquinimod is a first-in-class immunomodulator with a novel mode of action that distinguishes it from the uveitis treatments available today. It has been shown in experimental models of autoimmune/inflammatory diseases that laquinimod targets the aryl hydrocarbon receptor (AhR) that is present in antigen presenting cells and involved in the regulation of these cells. By targeting the AhR, antigen presenting cells are re-programmed to become tolerogenic, meaning that instead of activating pro-inflammatory T-cells, regulatory T-cells with anti-inflammatory properties are activated leading to dampening of the inflammation in the eye.

Extensive data support that laquinimod is a potent inhibitor of uveitis in preclinical uveitis models. Some of these studies have been performed in collaboration with Dr. Rachel Caspi's team at the National Eye Institute (NEI) at The National Institutes of Health (NIH), a world leading team within this field.

**Clinical development of laquinimod**

Given that full regulatory documentation with comprehensive safety data from earlier clinical studies is available for laquinimod, the clinical program of laquinimod will be advanced directly to a clinical phase II proof-of-principle study of oral laquinimod in non-anterior non-infectious uveitis.

Furthermore, a topical ophthalmic formulation of laquinimod has been developed, and an agreement with a provider for manufacturing of this formulation for clinical use, has been signed.

Following preclinical tolerance testing, a clinical phase I safety study of the topical ophthalmic formulation will be conducted. The clinical phase I study is planned to start during H2-2021 and results are estimated to be available during H2-2022.

For the phase II study, which we intend to perform in an academic partnership, the start is estimated to early 2023.

# FINANCIAL INFORMATION

**Comments on the Group's results for the period January – June, 2021**
No sales were recorded during the first six months of 2021, the corresponding period previous year included SEK 0.5 M income related to real estate services.

The total operational costs for the period amounted to SEK 22.4 M (20.3) whereof research and development expenses totaled SEK 15.6 M (13.1), representing an increased activity level which is reflected in the 19-percent cost increase.

The company's research efforts have been focused on complementing existing and new pre-clinical results for tasquinimod and laquinimod and establishing clinical partnerships for continued development of the programs:

- naptumomab partnered with NeoTX is in phase Ib/II development for solid tumors and progresses according to plan
- the ongoing phase Ib/IIa clinical study with tasquinimod for treatment of multiple myeloma was initiated in August, 2020 in collaboration with Penn University, USA. The study is progressing according to plan
- laquinimod is being developed as a new product class for treatment of inflammatory eye diseases. A topical ophthalmic formulation has been developed. A phase I clinical study of topical treatment is scheduled to be initiated during 2H-2021. A phase II study is estimated to start early 2023

Administrative expenses amounted to SEK 6.8 M (7.2).

The operating loss for the period amounted to SEK 22.4 M (loss: 19.9), the net financial income for the period amounted to SEK 0.0 M (expense: 0.1) and the loss after tax to SEK 22.4 M (loss: 19.9).

**Comments on the Group's results for the period April – June, 2021**
No sales were recorded during the second quarter 2021. Total operating costs for the period amounted to SEK 12,7 M (10,1) whereof research and development expenses totaled SEK 9.2 M (6.3), which is explained by increased pre-clinical and clinical activities ahead of the planned initiation of the clinical development programs with laquinimod.

The operating loss for the period amounted to SEK 12,6 M (loss: 10.1). Administrative costs amounted to SEK 3.5 M (3.8), the net financial income for the period amounted to SEK 0.0 M (income: 0.3) and the loss after tax to SEK 12.6 M (loss: 9.8).

**Cash flow, liquidity and financial position, Group, for the period January – June, 2021**
Cash and cash equivalents at the end of the period amounted to SEK 78.5 M, compared with SEK 26.2 M at the end of 2020. Cash flow for the period amounted to SEK 52.3 M (negative: 21.5). The cash flow from operating activities amounted to a negative SEK 21.2 M (neg: 20.9). Cash flow from investments amounted to SEK 0 M (0) and cash flow from financing activities amounted to a positive SEK 73.5 M (negative: 0.6) following the rights issue concluded in the period. The share issue added SEK 74.1 M to liquidity after issue costs.

**Investments**
Investments in tangible fixed assets amounted to SEK 0.0 M (0.0).

**Comments on the Parent Company's results and financial position for the period January – June, 2021**
Net sales for the period amounted to SEK 0 M (0.5) and operating expenses to SEK 22.4 M (20.3). The Parent Company's operating loss for the period was SEK 22.3 M (loss: 19.9). Net financial income amounted to SEK 0.0 M (negative 0.0) and the loss after financial items was SEK 22.4 M (loss: 19.9). Cash and cash equivalents including short-term investments totaled SEK 78.3 M at the end of the period, compared with SEK 26.1 M on January 1, 2021.

**Comments on the Parent Company's results and financial position for the period April – June, 2021**
Net sales for the period amounted to SEK 0.0 M (0.0) and operating expenses to SEK 12.6 M (10.1). The Parent Company's operating loss for the period was SEK 12.6 M (loss: 10.1). Net financial income amounted to SEK 0.0 M (income: 0.4) and the loss after financial items was SEK 12.6 M (loss: 9.8).

**Shareholders' equity**
Consolidated shareholders' equity at the end of the period amounted to SEK 73.9 M, compared with SEK 22.1 M at year-end 2020.

The number of shares outstanding at the end of the period totaled 217,971,720. At the end of the period, the equity/assets ratio for the Group was 89.1 percent, compared with 68.8 percent at year-end 2020. The corresponding figures for the Parent Company, Active Biotech AB, were 43.2 percent and 1.2 percent, respectively.

**Long Term Incentive Programs**
The Annual General Meeting on May 19, 2020 resolved to adopt two Long Term Incentive Programs (LTIPs), Plan 2020/2024 to include the employees within the Active Biotech Group and the Board Plan 2020/2023 to include all Board members of Active Biotech.

Employees and Board members acquired in total 659,756 shares (Savings shares) in the market during the applicable time period in the respective incentive programs. Total costs, including social contributions, as of June 30, 2021 YTD, amounted to SEK 714 K, whereof SEK 1 K refers to the period January – June, 2021.

Detailed terms and conditions for each of the programs are available on the company homepage.

**Organization**
The average number of employees during the reporting period was 8 (10), of which the number of employees in the research and development organization accounted for 5 (5). The number of employees at the end of the period amounted to 8 whereof 5 in the research and development organization.

**Outlook, including significant risks and uncertainties**
Active Biotech's ability to develop pharmaceutical projects to the point at which partnership agreements can be secured, and the partner assumes responsibility for the future development and commercialization of the project, is decisive for the company's long-term financial strength and stability.

Following a portfolio refocus during 2020, Active Biotech currently holds three projects in its portfolio:

- naptumomab, a targeted anti-cancer immunotherapy, partnered to NeoTX, is in phase Ib/II clinical development in patients with advanced solid tumors
- tasquinimod, targeted towards hematological malignancies is in clinical phase Ib/IIa treatment of multiple myeloma

- laquinimod, targeted towards inflammatory eye disorders is advancing to a clinical phase I trial with a topical ophthalmic formulation estimated to start H2-2021 to be followed by a phase II study early 2023

The partnership agreement entered with NeoTX in 2016 will have an impact on the company's future revenues and financial position if naptumomab progress in development. NeoTX initiated the clinical development of naptumomab in combination with a checkpoint inhibitor during 2019. A phase Ib/II study is ongoing.

In 2020, Active Biotech entered into an academic collaboration with Penn University for the development of tasquinimod in multiple myeloma, a phase Ib/IIa study was initiated in August 2020, and the first safety readout is expected in H2-2021.

Active Biotech focuses its activities to secure value growth and conduct commercial activities aimed at entering new partnerships for tasquinimod in multiple myeloma and laquinimod in uveitis.

A rights issue was successfully concluded in January 2021 when SEK 74.1 M after issue costs was secured. The rights issue aimed at providing Active Biotech with the financial stability required to await the outcome of the ongoing clinical studies and to conduct negotiations with partners.

The existing liquidity together with revenues from existing and anticipated partnership agreements, are expected to finance operations in accordance with existing plans.

A research company such as Active Biotech is characterized by high operational and financial risk, since the projects in which the company is involved have both development, regulatory and commercialization risks. In addition, the ability of the company to attract and retain key people with both insights to the field of research, and relevant product development experiences is a significant risk.

In brief, the operation is associated with risks related to such factors as pharmaceutical development, competition, advances in technology, patents, regulatory requirements, capital requirements, currencies and interest rates. A detailed account of these risks and uncertainties is presented in the Directors' Report in the Annual Report 2020. With regards to the prevailing situation for COVID-19, it is uncertain how global measures against COVID-19, and prioritization of health care resources, may affect timelines of project and the ongoing and planned preclinical and clinical activities might be delayed with possible implications on the financing risks. The Group's operations are primarily conducted in the Parent Company, which is why risks and uncertainties refer to both the Group and the Parent Company.

## CONSOLIDATED PROFIT AND LOSS

| SEK M | Apr-Jun 2021 | Apr-Jun 2020 | Jan-Jun 2021 | Jan-Jun 2020 | Full Year 2020 |
|---|---|---|---|---|---|
| **Net sales** | **–** | **–** | **–** | **0.5** | **6.7** |
| Administrative expenses | -3.5 | -3.8 | -6.8 | -7.2 | -13.5 |
| Research and development costs | -9.2 | -6.3 | -15.6 | -13.1 | -25.5 |
| **Operating profit/loss** | **-12.6** | **-10.1** | **-22.4** | **-19.9** | **-32.3** |
| Net financial items | 0.0 | 0.3 | 0.0 | -0.1 | 0.1 |
| **Profit/loss before tax** | **-12.6** | **-9.8** | **-22.4** | **-19.9** | **-32.2** |
| Tax | – | – | – | – | – |
| **Net profit/loss for the period** | **-12.6** | **-9.8** | **-22.4** | **-19.9** | **-32.2** |
| Comprehensive profit/loss attributable to: | | | | | |
| Parent Company shareholders | -12.6 | -9.8 | -22.4 | -19.9 | -32.2 |
| Non-controlling interest | – | – | – | – | – |
| **Net profit/loss for the period** | **-12.6** | **-9.8** | **-22.4** | **-19.9** | **-32.2** |
| Comprehensive profit/loss per share before dilution (SEK) | -0.06 | -0.06 | -0.11 | -0.12 | -0.19 |
| Comprehensive profit/loss per share after dilution (SEK) | -0.06 | -0.06 | -0.11 | -0.12 | -0.19 |

## STATEMENT OF PROFIT AND LOSS AND CONSOLIDATED COMPREHENSIVE INCOME

| SEK M | Apr-Jun 2021 | Apr-Jun 2020 | Jan-Jun 2021 | Jan-Jun 2020 | Full Year 2020 |
|---|---|---|---|---|---|
| Net profit/loss for the period | -12.6 | -9.8 | -22.4 | -19.9 | -32.2 |
| Other comprehensive income | – | – | – | – | – |
| **Total comprehensive profit/loss for the period** | **-12.6** | **-9.8** | **-22.4** | **-19.9** | **-32.2** |
| Total other comprehensive profit/loss for the period attributable to: | | | | | |
| Parent Company shareholders | -12.6 | -9.8 | -22.4 | -19.9 | -32.2 |
| Non-controlling interest | – | – | – | – | – |
| **Total comprehensive profit/loss for the period** | **-12.6** | **-9.8** | **-22.4** | **-19.9** | **-32.2** |
| Depreciation/amortization included in the amount of | 0.3 | 0.3 | 0.7 | 0.7 | 1.3 |
| Investments in tangible fixed assets | – | – | – | – | – |
| Weighted number of outstanding common shares before dilution (000s) | 217,972 | 168,606 | 205,830 | 168,606 | 168,606 |
| Weighted number of outstanding common shares after dilution (000s) | 217,972 | 168,606 | 205,830 | 168,606 | 168,606 |
| Number of shares at close of the period (000s) | 217,972 | 145,236 | 217,972 | 145,236 | 145,236 |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| SEK M | Jun 30 2021 | Jun 30 2020 | Dec 31 2020 |
|---|---|---|---|
| Tangible fixed assets | 1.2 | 2.5 | 1.9 |
| Long-term receivables | 0.0 | 0.0 | 0.0 |
| **Total fixed assets** | **1.2** | **2.5** | **1.9** |
| | | | |
| Current receivables | 3.3 | 3.2 | 4.1 |
| Cash and cash equivalents | 78.5 | 38.2 | 26.2 |
| **Total current assets** | **81.8** | **41.4** | **30.3** |
| | | | |
| **Total assets** | **83.0** | **43.9** | **32.2** |
| | | | |
| Shareholders equity | 73.9 | 33.8 | 22.1 |
| Long-term liabilities | 0.1 | 1.3 | 0.7 |
| Current liabilities | 8.9 | 8.7 | 9.4 |
| **Total shareholders equity and liabilities** | **83.0** | **43.9** | **32.2** |

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

| SEK M | Jun 30 2021 | Jun 30 2020 | Dec 31 2020 |
|---|---|---|---|
| Opening balance | 22.1 | 53.8 | 53.8 |
| Loss for the period | -22.4 | -19.9 | -32.2 |
| Other comprehensive income for the period | – | – | – |
| *Comprehensive profit/loss for the period* | *-22.4* | *-19.9* | *-32.2* |
| Share-based payments that are settled with equity instruments, IFRS2 | 0.1 | – | 0.6 |
| New share issue | 74.1 | – | – |
| **Balance at close of period** | **73.9** | **33.8** | **22.1** |

## CONDENSED CONSOLIDATED CASH-FLOW STATEMENT

| SEK M | Jan-Jun 2021 | Jan-Jun 2020 | Full Year 2020 |
|---|---|---|---|
| **Loss after financial items** | **-22.4** | **-19.9** | **-32.2** |
| Adjustment for non-cash items, etc. | 0.8 | 0.7 | 1.9 |
| **Cash flow from operating activities before changes in working capital** | **-21.6** | **-19.3** | **-30.3** |
| | | | |
| Changes in working capital | 0.5 | -1.6 | -1.9 |
| **Cash flow from operating activities** | **-21.2** | **-20.9** | **-32.2** |
| | | | |
| New share issue | 74.1 | – | – |
| Loans raised/amortization of loan liabilities | -0.7 | -0.6 | -1.3 |
| **Cash flow from financing activities** | **73.5** | **-0.6** | **-1.3** |
| | | | |
| **Cash flow for the period** | **52.3** | **-21.5** | **-33.5** |
| **Opening cash and cash equivalents** | **26.2** | **59.7** | **59.7** |
| **Closing cash and cash equivalents** | **78.5** | **38.2** | **26.2** |

## KEY FIGURES

| | Jun 30 | | Dec 31 |
|---|---|---|---|
| | 2021 | 2020 | 2020 |
| Shareholders equity, SEK M | 73.9 | 33.8 | 22.1 |
| Equity per share, SEK | 0.34 | 0.23 | 0.15 |
| Equity/assets ratio in the Parent Company | 43.2% | 15.4% | 1.2% |
| Equity/assets ratio in the Group | 89.1% | 77.1% | 68.8% |
| Average number of annual employees | 8 | 10 | 10 |

The equity/assets ratio and equity per share are presented since these are performance measures that Active Biotech considers relevant for investors who wish to assess the company´s capacity to meets its financial commitments. The equity/assets ratio is calculated by dividing recognized shareholders´equity by recognizes total assets. Equity per share is calculated by dividing recognized shareholders´equity by the number of shares.

## CONSOLIDATED PROFIT AND LOSS

| | 2017 | | | | 2018 | | | | 2019 | | | | 2020 | | | | 2021 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| SEK M | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 |
| **Net Sales** | **4.7** | **5.1** | **5.1** | **5.4** | **4.8** | **5.7** | **4.7** | **4.8** | **5.5** | **1.1** | **0.9** | **0.9** | **0.5** | **–** | **–** | **6.2** | **–** | **–** |
| Administration expenses | -4.1 | -10.2 | -2.5 | -3.3 | -2.9 | -2.6 | -2.5 | -2.5 | -2.8 | -3.6 | -2.7 | -3.2 | -3.4 | -3.8 | -2.9 | -3.4 | -3.3 | -3.5 |
| Research and development costs | -15.2 | -14.6 | -9.1 | -10.4 | -10.5 | -10.4 | -9.1 | -9.4 | -9.1 | -5.2 | -5.3 | -8.8 | -6.8 | -6.3 | -5.5 | -7.0 | -6.4 | -9.2 |
| Other operating expenses/ income | – | -3.3 | – | -50.0 | – | – | – | – | – | 2.2 | -2.2 | – | – | – | – | – | – | – |
| **Operating profit/loss** | **-14.6** | **-23.1** | **-6.5** | **-58.4** | **-8.5** | **-7.3** | **-6.9** | **-7.1** | **-6.4** | **-5.4** | **-9.3** | **-11.2** | **-9.7** | **-10.1** | **-8.3** | **-4.1** | **-9.7** | **-12.6** |
| Net financial items | -1.8 | -1.8 | -1.9 | -1.8 | -1.7 | -1.7 | -1.8 | -1.8 | -1.7 | 0.0 | 0.0 | -0.1 | -0.4 | 0.3 | 0.1 | 0.0 | 0.0 | 0.0 |
| **Profit/loss before tax** | **-16.4** | **-24.9** | **-8.4** | **-60.1** | **-10.2** | **-9.1** | **-8.7** | **-8.9** | **-8.1** | **-5.5** | **-9.3** | **-11.2** | **-10.1** | **-9.8** | **-8.2** | **-4.1** | **-9.8** | **-12.6** |
| Tax | 0.6 | 0.6 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Net profit/ loss for the period** | **-15.8** | **-24.4** | **-8.4** | **-60.1** | **-10.2** | **-9.1** | **-8.7** | **-8.9** | **-8.1** | **-5.5** | **-9.3** | **-11.2** | **-10.1** | **-9.8** | **-8.2** | **-4.1** | **-9.8** | **-12.6** |

## ACTIVE BIOTECH PARENT COMPANY – INCOME STATEMENT, CONDENSED

| SEK M | Apr-Jun 2021 | Apr-Jun 2020 | Jan-Jun 2021 | Jan-Jun 2020 | Full Year 2020 |
|---|---|---|---|---|---|
| **Net Sales** | **–** | **–** | **–** | **0.5** | **6.7** |
| Administration expenses | -3.5 | -3.8 | -6.8 | -7.2 | -13.5 |
| Research and development costs | -9.1 | -6.3 | -15.6 | -13.1 | -25.5 |
| **Operating profit/loss** | **-12.6** | **-10.1** | **-22.3** | **-19.9** | **-32.3** |
| *Profit/loss from financial items:* | | | | | |
| Interest income and similar income-statement items | 0.0 | 0.1 | 0.0 | 0.1 | 0.2 |
| Interest expense and similar income-statement items | 0.0 | 0.3 | 0.0 | -0.1 | -0.1 |
| **Profit/loss after financial items** | **-12.6** | **-9.8** | **-22.4** | **-19.9** | **-32.1** |
| Tax | – | – | – | – | – |
| **Net profit/loss for the period** | **-12.6** | **-9.8** | **-22.4** | **-19.9** | **-32.1** |
| **Statement of comprehensive income parent company** | | | | | |
| Net profit/loss for the period | -12.6 | -9.8 | -22.4 | -19.9 | -32.1 |
| Other comprehensive income | – | – | – | – | – |
| **Total comprehensive profit/loss for the period** | **-12.6** | **-9.8** | **-22.4** | **-19.9** | **-32.1** |

## ACTIVE BIOTECH PARENT COMPANY – BALANCE SHEET, CONDENSED

| SEK M | Jun 30 2021 | Jun 30 2020 | Dec 31 2020 |
|---|---|---|---|
| Financial fixed assets | 40.5 | 40.5 | 40.5 |
| **Total fixed assets** | **40.5** | **40.5** | **40.5** |
| Current receivables | 3.3 | 3.0 | 3.9 |
| Short-term investments | 74.9 | 34.7 | 22.8 |
| Cash and bank balances | 3.4 | 3.5 | 3.3 |
| **Total current assets** | **81.6** | **41.1** | **30.1** |
| **Total assets** | **122.1** | **81.6** | **70.6** |
| Shareholders equity | 52.7 | 12.5 | 0.9 |
| Current liabilities | 69.4 | 69.1 | 69.7 |
| **Total equity and liabilities** | **122.1** | **81.6** | **70.6** |

Any errors in additions are attributable to rounding of figures.

## NOTE 1: ACCOUNTING POLICIES

The interim report of the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable parts of the Annual Accounts Act. The interim report of the Parent Company has been prepared in accordance with Chapter 9 of the Annual Accounts Act. For the Group and the Parent Company, the same accounting policies and accounting estimates and assumptions were applied in this interim report as were used in the preparation of the most recent annual report.

## NOT 2: DISTRIBUTION OF SALES

| | Apr-Jun | | Jan-Jun | | Full Year |
|---|---|---|---|---|---|
| SEK M | 2021 | 2020 | 2021 | 2020 | 2020 |
| Licence revenues | – | – | – | – | 6.2 |
| Service revenues | – | – | – | 0.5 | 0.5 |
| Other | – | – | – | – | – |
| **Total** | **–** | **–** | **–** | **0.5** | **6.7** |

## NOT 3: FAIR VALUE OF FINANCIAL INSTRUMENTS

| SEK M | Jun 30, 2021 Level 2 | Dec 31, 2020 Level 2 |
|---|---|---|
| Short-term investments | 74.9 | 22.8 |

## LEGAL DISCLAIMER

This financial report includes statements that are forward-looking and actual results may differ materially from those anticipated. In addition to the factors discussed, other factors that can affect results are developments in research programs, including clinical trials, the impact of competing research programs, the effect of economic conditions, the effectiveness of the company's intellectual patent protection, obstacles due to technological development, exchange-rate and interest-rate fluctuations, and political risks.

## FINANCIAL CALENDAR

- November 4, 2021, Interim report
- February 9, 2022, Full Year report

The reports will be available from these dates at www.activebiotech.com.

The interim report for the January – June period 2021 provides a true and fair view of the Parent Company´s and the Group's operations, position and results, and describes significant risks and uncertainties that the Parent Company and Group companies face.

Lund August 5, 2021
Active Biotech AB (publ)

Michael Shalmi
*Chairman*

Uli Hacksell
*Board Member*

Aleksandar Danilovski
*Board Member*

Elaine Sullivan
*Board Member*

Peter Thelin
*Board Member*

Axel Glasmacher
*Board Member*

Helén Tuvesson
*President and CEO*

This interim report is unaudited.

**Active Biotech AB (publ) (NASDAQ Stockholm: ACTI)** is a biotechnology company that deploys its extensive knowledge base and portfolio of compounds to develop first-in-class immunomodulatory treatments for specialist oncology and immunology indications with a high unmet medical need and significant commercial potential. Following a portfolio refocus, the business model of Active Biotech aims to advance projects to the clinical development phase and then further develop the programs internally or pursue in partnership. Active Biotech currently holds three projects in its portfolio: Naptumomab, a targeted anti-cancer immunotherapy, partnered to NeoTX Therapeutics, is in a phase Ib/II clinical program in patients with advanced solid tumors. The small molecule immunomodulators, tasquinimod and laquinimod, both having a mode of actions that includes modulation of myeloid immune cell function, are targeted towards hematological malignancies and inflammatory eye disorders, respectively. Tasquinimod, is in clinical phase Ib/IIa for treatment of multiple myeloma. Laquinimod is advancing to a clinical phase I study with a topical ophthalmic formulation, to be followed by phase II for treatment of non-infectious uveitis. Please visit www.activebiotech.com for more information.